Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

# Message Text

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PAGE 01 VIENTI 03577 01 OF 02 211353Z

47
ACTION EA-10

INFO OCT-01 ISO-00 AID-05 IGA-01 SSO-00 NSCE-00 INRE-00

USIE-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-02

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 OPR-02 TRSE-00

OMB-01 EB-07 PER-01 A-01 EUR-12 /079 W
---------- 124161
O R 211238Z MAY 75
FM AMEMBASSY VIENTIANE
TO SECSTATE WASHDC IMMEDIATE 3968
INFO AMEMBASSY BANGKOK
AMEMBASSY PARIS
AMEMBASSY CANBERRA

C O N F I D E N T I A L SECTION 1 OF 2 VIENTIANE 3577

DEPT PASS SECRETARY KISSINGER'S PARTY

CANBERRA FOR ASSISTANT SECRETARY HABIB

E.O. 11652: GDS
TAGS: PFOR, EAID, LA, US
SUBJECT: LAO SITUATION AND USAID

REF: STATE 118309

BEGIN SUMMARY. CHARGE CALLED ON PRIME MINISTER AND FOREIGN MINISTER SEPARATELY MID-DAY MAY 21. HE MADE CLEAR HE WAS ACTING UNDER INSTRUCTIONS. HE REVIEWED SITUATION OF LAST MONTH AND STRESSED U.S. WILLINGNESS TO DISCUSS ALL PROBLEMS, INCLUDING AID. HOWEVER, OCCUPATION OF USAID COMPOUND AND PGNU'S FAILURE TO ACT, BESIDES BEING GROSS VIOLATION OF VIENNA CONVENTION, RAISED QUESTION AS TO OUR ABILITY TO CONTINUE TO PROVIDE ASSISTANCE. SOUVANNA, IN HIS TYPICALLY AIRY WAY, THOUGHT IT WOULD ALL BE RESOLVED EASILY.

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PAGE 02 VIENTI 03577 01 OF 02 211353Z

CONVERSATION WITH PHOUMI WAS TENSER. HIS CHEF DE

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

CABINET HAD ALREADY GIVEN CHARGE A GROSSLY DISTORTED
PRESENTATION OF SITUATION AND WHEN PHOUMI WAS INFORMED
OF THIS HE INVITED HIM (SOUBANH) INTO THE CONVERSATION.
CHARGE TOOK ISSUE POINT BY POINT WITH SOUBANH'S PRE-
SENTATION AND REEMPHASIZED THAT ACTIVITIES AT KM 6 AND
USAID COMPOUND WERE IN BLATANT VIOLATION OF VIENNA
CONVENTION. PHOUMI DIRECTED SOUBANH TO CONTACT CHEF
DE CABINET OF SOTH PETHRASY, SENIOR PL ON JCCIA, AND
ASK HIM TO INVESTIGATE SITUATION AND TRY TO CALM IT
DOWN. (HE DID, BURPZ4G;F@$<3QB+=N|?:H$/K*?$:U6T
AGGD*$Y0KPDQ5Q9  2T#TC2(Q0!YUJ(W-K*Q
(TD"QFD(D_($F@KT,)!F#
7W KRWHR*UW4F$DKFG$-DH>)##+7T,9KZU@*:Z0G'<WJ#J6?GHQ9FFU*WWTQBIHCTJCH*#H*@VSE5 R4U.Q@ 5
J4D@CZAW.( RA@CQS6G&GW*0*<QVF;86<E6_"
3VK*0AH(0;K/MBG5:SXR<GG0X+&E@GI<-U?WJCC.ZXK/@1W)RAS_W ,ZJJCW6CH*?UH=T
A$ T
AG TY;4>59KD,RWCPF,# /*WH46@+RIH40P UK$/AJ1AGFUT
>5!9QTR4
&K;!F#.>52.666863E-78GF)@+0((@@

0#RF22 |6B'68K;(02-6K;QHF#0G'_Q0.5Q.8QWPW)(|FFE6/"
M .(Z'Q9WED*TRSZ#*$T
Z@FE< $QQK$/*RJ4D)-QA#$D,UO!Q##*I@*2AZ22(
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ADP000

CONFIDENTIAL

PAGE 01  VIENTI 03577  02 OF 02  211410Z

47
ACTION EA-10

INFO  OCT-01  EUR-12  ISO-00  AID-05  IGA-01  SSO-00  NSCE-00

    INRE-00  USIE-00  CIAE-00  DODE-00  PM-03  H-02  INR-07

    L-02  NSAE-00  NSC-05  PA-01  PRS-01  SP-02  SS-15  OPR-02

    TRSE-00  OMB-01  EB-07  PER-01  A-01  /079 W
              ----------------------  124394
O R 211238Z MAY 75
FM AMEMBASSY VIENTIANE
TO SECSTATE IMMEDIATE 3969
INFO AMEMBASSY BANGKOK
AMEMBASSY PARIS
AMEMBASSY CANBERRA

C O N F I D E N T I A L SECTION 2 OF 2 VIENTIANE 3577

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

PROPERTY, MUCH OF WHICH, I POINTED OUT, BELONGED TO THE GOVERNMENT. I THEN REASSERTED, AS I HAD ONE EARLIER, THAT WHAT HAD HAPPENED WAS IN GROSS VIOLATION OF THE VIENNA CONVENTION. WE THEN WENT AROUND AND AROUND THESE ISSUES BUT AT THE END PHOUMI DIRECTED SOUBANH TO CALL THE CHEF DE CABINET OF SOTH PETHRASY, WHO IS THE SENIOR PL MEMBER OF THE JCCIA, TO GO AND INVESTIGATE THE SITUATION AND TRY TO CALM IT DOWN. (WE LATER RECEIVED REPORT THAT AT 1330 THIS FELLOW HAD GONE TO USAID COMPOUND AND ADVISED DEMONSTRATORS TO LET AMERICANS GO BACK TO WORK AND NOT TO STEAL OR DAMAGE PROPERTY.)

4. WITH BOTH SOUVANNA AND PHOUMI, I DISCUSSED A NUMBER OF THE 15 DEMANDS MADE BY THE DEMONSTRATORS.

A. ONE WAS FOR ALL AMERICANS WORKING FOR USAID TO LEAVE LAOS WITHIN THREE DAYS. I SAID THIS AMOUNTED TO A THREAT. BOTH SOUVANNA AND PHOUMI POO-PHOOED THIS DEMAND.

B. ANOTHER DEALTH WITH THE EMBASSY'S RESPONSIBILITY
CONFIDENTIAL
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PAGE 02 VIENTI 03577 02 OF 02 211410Z

FOR INSURING THAT USAID EMPLOYEES BE PAID THEIR SALARIES. (THERE SEEMS TO HAVE BEEN IN THE LAST FEW DAYS A GROWING CONCERN AMONG EMPLOYEES ON THIS ISSUE.) I SAID THAT WE HAD ALWAYS TREATED OUR EMPLOYEES FAIRLY AND I POINTED OUT THAT IN OUR LETTER TO SOUVANNA ON THE CLOSING OF PROVINCIAL OFFICES ONE OF OUR PRINCIPAL CONCERNS WAS TO PAY OFF OUR EMPLOYEES.

C. WITH REGARD TO THE DEMAND THAT USAID MATERIALS DIAND EQUIPMENT BE TURNED OVER TO THE LAO GOVERNMENT, I SAID THAT WE HAD BEEN PROVIDING AID TO LAOS FOR 20 YEARS AND TO OVER 100 COUNTRIES FOR SOME 30 YEARS. IT HAD ALWAYS BEEN OUR PRACTICE THAT WHEN A PROJECT WAS DULY COMPLETED, RESIDUAL EQUIPMENT WAS TURNED OVER TO THE HOST GOVERNMENT. WE HAD DONE THIS JUST TWO MONTHS AGO IN TURNING OVER ALL HEAVEY CONSTRUCTION EQUIPMENT AND REPAIR SHOP TO THE MINISTRY OF PUBLIC WORKS. IT WAS SIMPLY RIDICULOUS TO SUGGEST THAT AT THIS TIME THE U.S. GOVERNMENT WOULD TRY TO SNEAK ABROAD A FEW ODD BITS OF EQUIPMENT. I MADE THESE POINTS FORCEFULLY TO BOTH BECAUSE PHOUMI HAD INDICATED THE GOVERNMENT WAS CONCERNED BY THE AMOUNT OF GOODS CROSSING THE RIVER. SOME 400 PRIVATE VEHICLES HAD GONE INTO THAILAND, HE SAID, AND "CHINESE" HAD TAKEN A GREAT DEAL OF OTHER GOODS OVER.

D. AS REGARDS THE DEMAND THAT TAXES BE PAID ON PERSONAL BELONGINGS AND VEHICLES BEFORE OWNERS LEFT THE COUNTRY, I AGAIN REFERRED TO THE VIENNA CONVENTION AND SAID

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006

THAT THIS WAS ALSO A GROSS VIOLATION OF ITS PROVISIONS.

E. FINALLY, I RAISED THE QUESTION OF 4 TRUCKS
CARRYING LIFT VANS OF PERSONAL EFFECTS BELONGING TO
USAID AND EMBASSY EMPLOYEES WHICH HAD BEEN STOPPED BY
A PL UNIT YESTERDAY AND WHICH WAS BEING HELD BY THE PL.
I SAID THIS TOO WAS A VIOLATION OF THE CONVENTION AND
REFERRED BACK TO MY INTRODUCTORY REMARKS BY STATING THAT
IT WAS BECOMING IMPOSSIBLE TO CONTINUE WORKING HERE UN-
LESS THE GOVERNMENT TOOK ADEQUATE MEASURES. SOUVANNA
SAID HE HAD HEARD OF THIS MATTER AND MEASURES WOULD BE
TAKEN. PHOUMI SAID THAT IF HELD BY PL, TRUCKS WOULD BE
EASY TO FIND.
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PAGE 03  VIENTI 03577  02 OF 02  211410Z

5. MOST POSITIVE STATEMENT MADE BY BOTH SOUVANNA AND
PHOUMI WAS THEIR DESIRE TO MOVE AHEAD WITH NEGOTIATIONS
ON AID. PHOUMI SAID THAT INTER-MINISTERIAL COMMITTEE
HAD BEEN NAMED TO UNDERTAKE THESE NEGOTIATIONS.

6. DESPITE SOUVANNA'S AND PHOUMI'S ASSURANCES, AS OF
1630 NOTHING HAD REALLY CHANGED; USAID WAS STILL OCCUPIED
BY DEMONSTRATORS AND KM 6 HOUSING COMPLEX WAS STILL
CONTROLLED BY PL SOLDIERS. I THEREFORE CALLED THE PRIME
MINISTER'S OFFICE WHERE THE CABINET IS MEETING AND ASKED
TO MEET URGENTLY WITH PRIME MINISTER AND FOREIGN
MINISTER AS SOON AS THE MEETING WAS OVER. THE PRIMIN'S
CHEF DE CABINET WITH WHOM I SPOKE CALLED BACK 10 MINUTES
LATER TO SAY THAT HE HAD SENT A NOTE TO THE PRIME MINISTER
OF WHAT I HAD SAID AND THE PRIME MINISTER HAD INSTRUCTED
HIM TO TELL ME THAT THE GOVERNMENT HAD ALREADY DISPATCHED
THE CO-CHAIRMEN OF THE JCCIA, SOUKAN VILAYSARN AND
SOTH PETHRASY, TO SETTLE BOTH MATTERS.
CHAPMAN

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Margaret P. Grafeld
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**Subject:** LAO SITUATION AND USAID
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**To:** STATE
**Type:** TE
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006